



EXECUTIVE'S GUIDE – BPM BEST AND WORST PRACTICES

The fundamental driver behind taking control of an organisation's business processes is the expectation of enhanced business performance; reduced cost, increased revenue and enhanced service. We were promised by many that 2010 would be "The year of Business Process Management (BPM)", yet, what we have seen is the vast majority of Business Process Management (BPM) implementations failing to live up to the hype. This failure is largely due to the continuing disconnect between IT, CIOs and the business and the decision by many to implement large scale BPM technologies without having control over their basic processes.

This whitepaper presents a list of next practices for consideration prior to planning a BPM initiative and incorporates research from The BP Group, Gartner and Forrester Research.

Process Improvement Methodologies

One of the first people to recognize the importance of process was Frederick Winslow Taylor, an American mechanical engineer who sought to improve industrial efficiency. He recognized that the first step in gaining control over an organisation was to know and understand its' basic processes.

In order to know and understand the basic process, organisations have sought and invested in many techniques that have helped improve the quality of their products and services. Many techniques, such as Six Sigma and Lean, have been around since the 1980's and were born of a manufacturing era. Yet, despite the exponential changes to the business landscape, particularly in the last decade, these techniques continue to be applied to today's office services environments in the hope of achieving significantly different results.

Process Reality in the 21st Century

"Insanity is doing the same thing over and over again but expecting different results." This quote, attributed to Albert Einstein, articulates why we need to think anew, to act differently in the face of increasing global completion and the demands being placed upon us to become more productive, more efficient, more effective and more agile. The process reality is that, in the second decade of the 21st century;

- **Everything an organisation does is process** - All tasks and activities performed within our organisations are part of a process and there isn't anything that isn't process.
- **Processes are the DNA of the organisation** – The sum of all processes performed by an organisation is unique to that organisation.
- **Processes transcend the organisation** – Processes flow across and throughout organisations and across the entire value chain independent of the organisational hierarchies and functional silos we create.
- **The Customer Experience is the process** – Processes should only exist to deliver value to customers. Independent of the processes mapped in a process diagram, organised in a process repository or managed by a BPM suite, the reality is that what a customer experiences is reality, and therefore the customer experience is the process.



One of the most important insights organisations can make is that the ultimate cause of all work for an organisation is the customer. Every time a customer interacts with an organisation, whether in person, on line or via phone, it is both an opportunity for the customer to form an impression and it causes the organisation to do work.

These facts present an opportunity for an organisation. If an organisation can identify and manage these causes of work, also called Moments of Truth, ensuring each interaction is successful for the customer, it is likely a customer will remain a customer. At the same time, eliminating unnecessary customer interactions can also eliminate the work they cause.

Organisations only exist to deliver value to customers, so optimizing these customer interactions provides an opportunity for organisations to reduce costs, increase productivity and improve customer experience simultaneously, key strategies for success in the 21st century.

Implementing BPM

BPM is a methodology used to manage tasks and activities that contribute to the creation of value for customers through an organisations' products and service. The purpose of a BPM is to take control of an organisation's processes, to continually improve them with the goal of increasing efficiency, reducing costs, increasing revenue and enhancing services. As a result, BPM projects are continuous, integrated, cross functional initiatives with top management commitment.

Customer Inclusive

To ensure success from your BPM project, it is important to identify a methodology to help the BPM project team discover, optimize, align and manage an organisation's processes. As customers are the reason our organisations exist, it is imperative that the process methodology is considerate of customers and customer needs.

Process Mapping

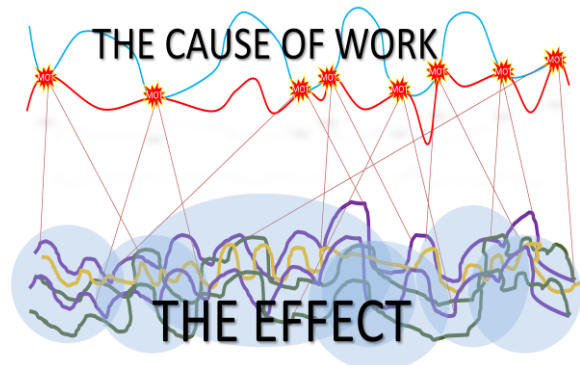
It is not realistic to start your BPM project from anywhere but where you are now. Therefore, after articulating your customer and customer needs, it is important to understand the current situation by mapping the current state process. In mapping the current state, it is important to map the process reality, using the fact that the customer experience is the process.

The easiest way to identify what the process really is is to use an Outside In approach, using a customer interview to understand the touch points or by experiencing the service for yourself. Be cautious of techniques which require a significant amount of time and effort to be placed on mapping current process before making recommendations for the future state process. This type of approach is symptomatic of complex software systems which in most cases, creates an additional layer of complexity and cost to the project.



Process Improvement

The aim of this step in the project is to identify improvements to a process either by improving the sequence of task and activities, eliminating work that does not contribute to a successful outcome, or by identifying opportunities for automation or innovation. There are many process improvement techniques in common use today. The techniques that provide the greatest opportunity for improvement are those that deal with process reality, examining the causes of work and not their effect.



The process improvement step is the most crucial step in any BPM project. The improvement methodology should be simple and should produce a clear outcome in the form of an action plan, a list of identified opportunities for implementing changes to transition to the future state process. It is important to create this action plan to ensure all improvement opportunities are identified, scoped and prioritized prior before commencing implementation for fear of missing innovative opportunities or selecting a less than optimal improvement.

Process Management

As an iterative initiative, it is important to select a methodology which provides clear and uncomplicated process diagnostics, simple measures used for monitoring the performance of processes. The diagnostics should provide a clear performance measure of planned improvements, thus avoiding projects which do not deliver planned or expected performance improvements.

Identifying process improvements should not be the sole responsibility of process teams. Process management methodologies where all employees can be measured and rewarded for delivering successful outcomes are far superior to those that do not. These methodologies not only provide a culture where all employees are encouraged to contribute to continuous improvement initiatives, they also produce a successful and innovative corporate culture.

Key BPM Considerations

As BPM projects are management sponsored, cross functional initiatives, many personnel view them as a problem that must be fixed. With our ever increasing reliance on technology, the most common reaction made by technology-led organisations is to implement a technical solution to fix the problem. This approach is one of the main causes of BPM failure and leads to the implementation of complex technology which creates more points of failure within the already over-complicated corporate network.

The best practice approach, utilized by many business-led organisations, is to embrace the capabilities of BPM. Utilising its customer driven cross functional design, organisations with a high level of process maturity seek to streamline processes and embrace technology as an enabler of innovation capable of significantly reducing cost and enhancing service.



The following sections present a list of next practices that should be considered prior to the commencement of your BPM initiative.

Best Practices

- A strong focus on cost savings,
- A cross departmental scope and an understanding of the end-to-end processes,
- An ability to develop strong partnerships with both business and information technology,
- Demonstrating a keen understanding of the real process and how it relates to customer experience,
- A rapid process development cycle.



Worst Practices

- A purely IT focus, causing complexity, cost and delays,
- An inability to demonstrate a clear understanding of processes,
- A lack of understanding of Successful Customer Outcomes,
- An inability to create quality requirements and documentation,
- Avoid those who promise to solve world hunger.



About The Author

David Mottershead is a pragmatic and forward thinking professional with a talent for solving business problems by distilling information quickly and helping people to see things from a new perspective. David is a passionate advocate for customer experience, advanced business process management (Outside-In) and innovation.

David works with organisations across all industry sectors, helping improve processes using Advanced BPM techniques such as the Customer Expectation Management Method. He is one of the pioneers of Outside In thinking and practice and continues to encourage organisations to view their businesses from the customer perspective.

David is Managing Director of Outside In Consulting, Head Coach at The Customer Experience Coach, Head Trainer and Australia and New Zealand Group Manager for the BPGroup and a member of the BPGroup advisory board.

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